

# Daily results

August 25, 2008

## Stocks

**Market today.** Today stock market has continued falling. MICEX and RTS codes decreased by 3.94% and 3.22% respectively. Shares of oil and gas companies were affected by falling oil prices. Tatneft's shares looks poor and the price fall totaled 6.10%. It occurred due to weak 1Q 2008 financial report under US GAAP. Stocks of Gazprom, LUKOIL, Surgutneftegas and Rosneft decreased by -3.78%, -4.88, -6.09%, and -4.52% respectively. Norilsk Nickel's board of directors confirmed a decision to buyback its own shares (7.947 mn units), led to a growth of share prices by +1.65%. However, during the session a growth formed 6%. Shares of MMK and Severstal decreased by 4.16% and 3.08%. Sberbank shares lost -4.96%. VTB's stocks decreased by -7.9% and exceeded historical low.

**Market tomorrow.** Tomorrow, Russian stock market will be depend on nor fundamental, but political factors. The current situation looks like very poor and Russian stock market could continue falling.

## Bonds

**Market yesterday.** On Monday, shares liquidity became worse, due to tax payments. REPO rate increased to 8-8.5. There are a lot of traders in first echelon.

**Market tomorrow.** It is important to buy 2nd echelon stocks very carefully, with profitability more than 11.5-12%.

## No comment

*State Duma required president of RF to recognize political independent of Abkhazia and South Ossetia (Interfax)*

*The first oil flows through ESPO pipeline will be transferred in October, 2008 (Interfax)*

*Company, close to Rusenergobit, wants to buy another large company – Mosenergobit (Reuters)*

*Fitch confirmed Severstal's default rating, after purchased PBS Coals (Interfax)*

*Baltiysky Zavod's net debt decreased 15 times over 1H 2008 (Company's financial report)*

*Siber Airlines confirmed plans to purchase Austrian Airlines (Interfax)*

## Tomorrow

Время (МСК)	Страна	Событие	Период	Прогноз	Предыдущее
-	ЕС	Выходной день (кроме Германии)	-	-	-
16:30	США	Индекс ФРБ Нью-Йорка	Июнь	-4	-4.9
17:00	США	Чистый приток иностранного капитала	Июнь	50,0 млрд.	67,0 млрд.
17:15	США	Промышленное производство (мм)	Июль	0,10%	0,50%
17:15	США	Загрузка производственных мощностей	Июль	79,80%	79,90%
17:55	США	Индекс потребительских настроений Michigan Sentiment (предварительный)	Август	62,5	61,2

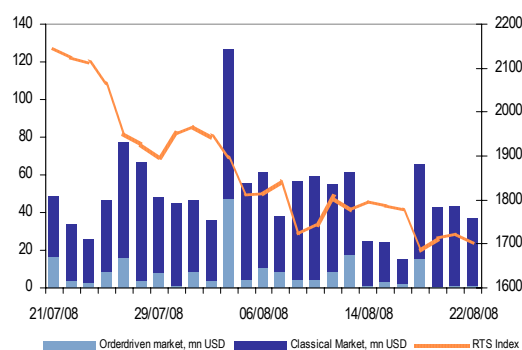
## Market data

### Main indicators and indices

	Close, USD	Change, USD	Change, %			
			day	week	month	year
VTB	▲ 0.003	0.000	2.00	-3.77	-17.30	-33.33
Polyus-Gold	- 36.00	-	-	-8.86	-49.30	-10.56
NorNickel	▼ 201.00	-3.500	-1.71	-0.99	-8.43	-2.00
Rostelecom	▼ 11.35	-0.050	-0.44	-1.09	-4.62	17.01
MTS	▼ 10.80	-0.050	-0.46	-4.85	-7.93	8.22
Sberbank	▲ 2.580	0.020	0.78	-1.53	-19.38	-28.73
LUKOIL	▼ 73.80	-1.400	-1.86	-4.77	-20.65	0.68
Gazprom Neft	- 5.300	-	-	-4.50	-31.83	47.22
Surgutneftegas	▲ 0.770	0.010	1.32	-3.75	-21.99	-34.19
Gazprom	▼ 9.70	-0.600	-5.83	-11.01	-23.26	-4.72
Tatneft	- 5.550	-	-0.54	-4.97	-18.62	15.87
Rosneft	▼ 8.170	-0.070	-0.85	-6.84	-24.84	1.87

Source: RTS web page, Estimation: Veles Capital

### RTS index vs. trade volume

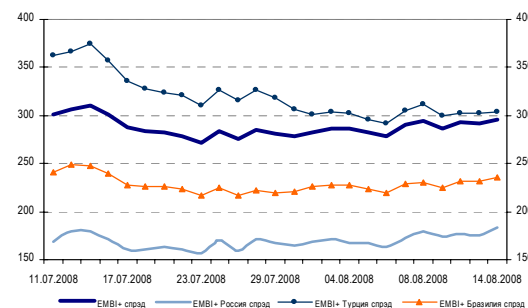


### Debt market

	Значение	Изменение, б.п.		
		Пред.	Неделя	Месяц
UST 10	▼ 100,97	-42	-36	-
UST 30	▼ 100,28	-31	-23	-
German 10	▼ 96,72	-56	-63	305
Россия 30	▼ 111,81	-20	-25	-38
Спред Россия 30	▲ 178	9	13	9
Турция 34	▲ 105,27	2	-25	306
Бразилия 40	▲ 131,93	2	-13	49
Колумбия 37	▼ 108,96	-14	-25	17
Венесуэла 34	▲ 86,30	17	-34	-160

Источник: Bloomberg; Оценка: Велес Капитал

### Emerging markets spread dynamics



### Resource markets

	Close, USD	Change, USD	Change, %			
			day	week	month	year
Brent, USD / bbl	▲ 119.22	7.32	6.54	6.54	-7.65	75.61
Urals, USD / bbl	▲ 115.34	4.11	3.70	5.86	-7.55	74.78
Gold, USD / ounce	▲ 858.26	23.84	2.86	3.78	-11.77	23.40
Palladium, USD / ounce	▲ 297.98	4.62	1.58	-6.00	-28.36	-12.05
Copper, USD / ton	▲ 7.854	339	4.51	6.35	-3.39	9.85
Nickel, USD / ton	▲ 21,495	1,570	7.88	12.54	4.85	-23.64

Source: Bloomberg, Estimation: Veles Capital

## Information disclosure

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The investment recommendations are given based on the evaluation of the company's share yield. The basis for the calculation of the expected company's cost is the evaluation by the discounted cash flows method (DCF). In some estimations the method of comparable coefficients, and also the mixed estimation (by DCF method and by comparable coefficients method) are applied. All recommendations are assigned based on the determined by us the fair cost of the shares within the nearest 12 months.

At the present moment the investment scale of the Investment Company Veles Capital is the following:

**BUY** – corresponds to the growth potential of the shares within the nearest 12 months by 15% or more.

**ACCUMULATE** – corresponds to the growth potential of the shares within the nearest 12 months for 5-15%.

**HOLD** – corresponds to the growth (reduction) potential of the shares within the nearest 12 months from -5% to 5%.

**REDUCE** – corresponds to the reduction potential of the shares within the nearest 12 months from 15% to 5%.

**SELL** – corresponds to the reduction potential of the shares within the nearest 12 months by 15% or more.

In some cases the deviations from the evaluation scale given above, based on which the recommendations are assigned, are possible. That fact relates to the high volatility of some securities in particular, and market in the whole, and also to the individual characteristics of one or another issuer.

In order to get additional information and specifications please contact the Research Department of the Investment Company Veles Capital.

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